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Presstime

Journal of the American Newspaper Publishers Association

Ad Slump Puts Pressure On Circulation Prices

How Newspapers Are Changing To Entice More Readers

presstime

APRIL 1991 VOLUME 13, NUMBER 4

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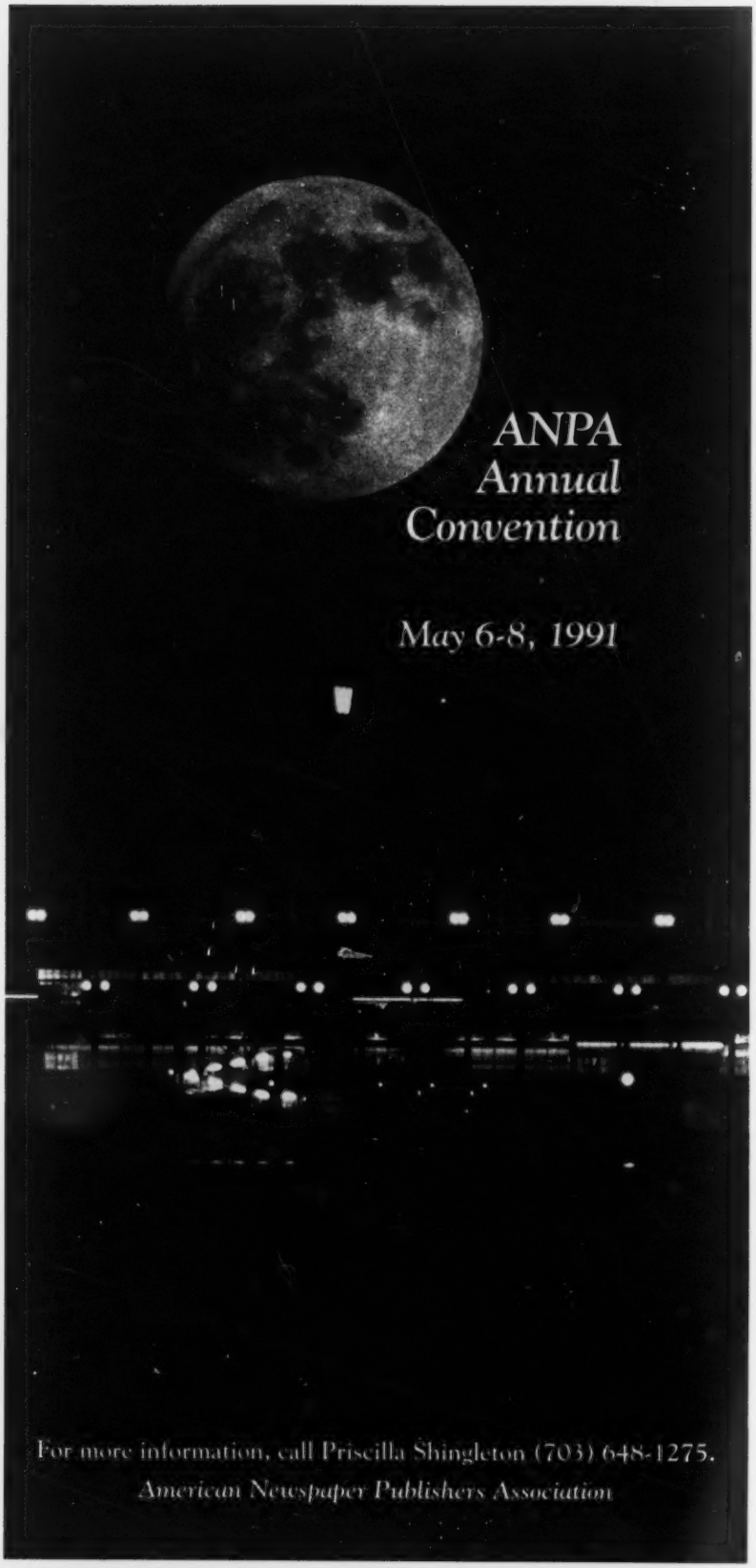

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AD SLUMP FORCES A RELIANCE ON Circulation Pricing

BY ROLF RYKKEN
presstime staff writer

The worst advertising slump in 20 years has prompted newspaper executives to charge higher circulation prices at the newsstand and for home delivery. They are risking potential readership and household-penetration losses in an effort to offset falling revenues.

While some executives say the recent increases may last only until advertising revenues begin to rebound, others predict that a sea change is occurring in how often newspapers will impose circulation rate increases. This would mark a turnaround in the industry's philosophy toward such price hikes.

Those predicting a lasting change say newspapers will be shifting more of the burden from advertisers, just as the magazine industry did in the 1970s. Newspaper advertisers now generally carry 80 percent of the revenue load; customers' newsstand purchases and home subscriptions account for the remaining 20 percent. Many Wall Street analysts and newspaper executives say newspapers have been way underpriced for far too long [presstime, Jan. 1991, p. 60].

"We have an industry relying on the advertiser to pay the bulk of the freight, and it is finally coming around that the reader has to pay a fair share as well," says David T. Lucey, vice president and general manager of the Meriden (Conn.) Record-Journal, which instituted its second home-delivery increase in a year last January.

Since 1989, the Record-Journal also imposed a round of higher daily and Sunday single-copy prices.

The increases in subscription and single-copy prices resulted in "negligible" losses in circulation that have been regained, Lucey says. "It used to be, in the old days, that if you went up 2 to 3 cents (per copy), half the town would be in an uproar," he notes, "but (now) people are used to prices going up."

The trend toward a higher price of 35 cents or more for weekday editions has been accelerating, although in the last tabulation the predominant single-copy price remained 25 cents [presstime, May 1990, p. 68].

A presstime study covering newspapers in all 50 states and the District of Columbia found that single-copy prices for weekday editions were slightly below the 58-percent rate of inflation for the period 1980-90.

However, the price of single-copy Sunday editions was far higher than the inflation rate, and monthly subscriptions also outstripped inflation. (See table, p. 8.)

The study, encompassing 99 newspapers, was based on data compiled by the Audit Bureau of Circulations. More detailed results are available from presstime, Box 17407 Dulles Airport, Washington, D.C. 20041.

RACKING UP RATES. Any executives with grave concerns about the danger of increasing newsstand and home-delivery prices might want to consider the example of the Lexington (Ky.) Herald-Leader and its president and publisher, Lewis E. Owens.

One colleague uses the term "guru of newspaper pricing" to describe the advertising-director-turned publisher. During the 1980s, he increased home-delivery rates every year except one (1988); he hiked newsstand prices every three years.

A weekday edition of the Herald-Leader now costs 50 cents (a 150-percent jump from 20 cents in 1980); later this year Owens intends to increase the Sunday price from $1.25 to $1.50, a 20-percent boost.

"We are the most expensive paper in Knight-Ridder Inc.," Owens says. The paper now charges a seven-day, home-delivery rate of $3.30, having grown from a weekly rate of $1.56 in 1980. That's an increase of 111 percent over 11 years. The Herald-Leader is 20 cents a week more than The Philadelphia Inquirer, Knight-Ridder's second-most expensive paper.

In 1980, circulation revenues accounted for 20 percent of total revenues; now they account for 29 percent and will continue to grow in proportion to overall revenues, Owens says.

Also increasing are the newspaper's earnings. The paper's 1990 profit was 1.5-percent ahead of 1989, he says. While 1990 advertising revenues were down by 1.4 percent from 1989, circulation revenues in-

David W. Trozzo, The Capital, Annapolis

Odessa Ellis (left), a vendor for The Capital in Annapolis, Md., makes brisk sales by visiting local office workers at their desks.

READERS FOR MORE REVENUE

Gets Aggressive

creased 6.3 percent during the same period. "The increase in circulation revenue made the difference" in profit, Owens says.

For years, Owens says he felt lonely hiking circulation rates. Now he doesn't find himself so much a maverick. Here are some other examples of recent circulation rate increases:

• Sixteen other Knight-Ridder dailies have increased home-delivery rates, and six others have hiked newsstand prices since 1989. The increases can be attributed partly to the soft advertising market, says Jerome S. Tilis, Knight-Ridder vice president/marketing. Nevertheless, he joins others in predicting that "over time, readers will have to pay a larger share of the newspaper revenue stream. . . . There is a new awareness . . . that circulation needs to be adjusted upwards."

• Two Gannett Co. newspapers are scheduled to join 11 others that increased their Sunday newsstand sales to $1.50 per copy last year. One newspaper's weekday price will be increased to 50 cents and a second daily will go to 40 cents, says Carlton F. Rosenburgh, vice president/circulation. In the past four years, he adds, some of these markets also imposed home delivery increases. "It will take time to rebuild on advertising, so it is not improbable that circulation will be a bigger share of (total) revenue," he says. Rosenburgh expects the group's circulation revenues to grow to 30 percent of overall newspaper revenues in 1991, up 5 percentage points in four years.

• According to a recent survey by the International Circulation Managers Association, 10 of 11 U.S. Sunday newspapers now priced at $1.50 went up only last year, as did 14 of 85 dailies that now charge 50 cents on weekdays.

• Over the past 10 years, most Scripps Howard newspapers increased newsstand and home-delivery rates every 18 months or so. "What is happening," explains Corporate Director of Circulation Tony J. Delmonico, "is that subscribers have come to expect it."

• Three of The Times Mirror Co.'s seven newspaper properties—The Hartford Courant, Newsday and The Baltimore Sun—increased circulation rates in 1990. "Looking at the pattern over the past five years or more, there were more increases last year than normal," says Suzanne Hovdey, director of corporate communications. "At the individual papers, there is a more aggressive philosophy due to the declines of advertising revenue."

• For most of the Thomson Corp.'s 123 U.S. dailies, circulation rate increases have occurred every two years in the past decade, says Don P. Hicks, senior vice president and general manager. He emphasizes that the decision to raise rates rests with individual publishers.

In some cases, it seems as if newspaper executives "are thinking the unthinkable" on circulation rate increases, observes Albert E. Gollin, vice president/director of research at the Newspaper Advertising Bureau. If newspapers "are going to maintain economic viability in tough times," he says, then their leaders "have to examine all assumptions about circulation" rate increases. These assumptions "can at least be tested, or you can learn from the newspapers that have changed their pricing policies."

CAUTION ADVISED. The decisions to increase circulation rates are made cautiously, newspaper executives insist.

Gannett's Rosenburgh says the best approach is to be conservative, focusing on markets where the economy is healthy and the newspapers are in a strong enough position to withstand any initial circulation fallout from price hikes. "You have to be selective," he says. "We've turned down some price increases because we didn't think it was a smart move" in those markets.

The decisions to increase circulation rates are made cautiously, newspaper executives insist.

Dianne Laukso, The Atlanta Journal

Atlanta papers sell briskly with news of the city's selection as an Olympic Games site.

Some of Lee Enterprises Inc.'s 19 dailies wanted to increase circulation rates two years ago, says Michael Rehberg, director of circulation and readership, but they held back until there was circulation growth as a result of editorial and circulation service improvements. This year may be the time for the price changes, he says.

Not even "the guru of newspaper pricing" could be described as incautious. Publisher Owens knows that increasing the price of his Lexington paper nearly every year requires giving consumers something in return: enhancing the editorial product and improving delivery.

The Herald-Leader has hired 30 additional people for the newsroom in five years, increased the newshole, and expanded the use of features and color. In circulation, 15

Trends in Newspaper Circulation Prices 1980-1990[1]

Category[2]	Average % change	Consumer Price Index % change
Single-copy sales (99 newspapers)	54.6	
Sunday sales (66 newspapers)	109.6	58
Monthly subscription (78 newspapers)	69.5	

[1]Sept. 30, 1980-Sept. 30, 1990.
[2]Newspapers were selected on a formulaic basis covering ABC-member dailies published in all 50 states and the District of Columbia.
Sources: **presstime**, Audit Bureau of Circulations, U.S. Department of Labor

more people now help with service. The newspaper also has implemented a porch-delivery system within the city.

Although executives universally worry that price hikes make them vulnerable to circulation and penetration losses, the experience at the Herald-Leader suggests this is not always true.

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Daily circulation increased 20 percent and Sunday circulation went up 42 percent during the decade when rates climbed frequently. However, penetration slipped from 64 percent to 61 percent of the area's households on weekdays and from 79 percent to 71 percent on Sundays. "Yes, we've lost some penetration, but it hasn't been that great," Owens says.

"Circulation growth is the bottom line. If we'd had huge circulation losses, we might have to rethink (our philosophy), but since the circulation has grown, we don't have to," he says.

He and other newspaper executives say potential losses in subscribers and single-copy buyers can be countered with strong promotional campaigns before and after price increases take effect.

"Our entire U.S. operation is up 2.5 percent in circulation in 1990 over 1989," says Thomson's Hicks. Rate increases can have adverse effects, but usually it's because of insufficient promotion rather than subscribers' resisting a rate increase, he maintains.

Another method to prevent subscriber defections—used by papers such as the Herald-Leader and The Wichita Eagle—involve offering subscribers renewals at the old rate, before new ones are imposed. The Herald-Leader also offers a three-day weekend package for subscribers who decide seven-day rates are too expensive.

HOW OFTEN? Whether circulation rate increases will become as frequent as advertising rate hikes have been in the past is unclear, executives and observers say.

Owens says Herald-Leader advertisers are pleased when newspaper executives ask "subscribers to bear more of the revenues. . . . This is a team—circulation and advertising. . . . And we're pleased with the balance between the two."

J. Kendrick Noble, veteran newspaper analyst and a consultant to the PaineWebber brokerage firm, says more frequent circulation rate increases are "long overdue" and will likely continue, perhaps annually.

By his calculations, newspapers that raise circulation rates about 2.5-percentage points over inflation lose less than 1 percent of their circulation.

Additionally, Noble emphasizes that these losses often can be offset by future sales.

Noble is among those who point to the equal share that exists between advertising and circulation revenues for magazines, a change from two decades ago when circulation revenues accounted for just one-third of the total. Magazines sold heavily discounted subscriptions to produce big circulation numbers for advertisers, but at the same time they were being hit with huge postal increases.

He says one magazine publisher described the previous environment as "the most fortunate misfortune" because it forced magazines to change their revenue ratio. Accompanying this change in magazine-publishing philosophy was a narrowing of markets for mass-circulation consumer magazines.

Newspapers, however, still generally embrace their mass-circulation position, and that's what they continue to sell to advertisers.

Subscribers "in the future may have to pay a little more in revenue, but we can't lose sight of the fact that we're selling *circulation* to advertisers," says Robert J. Hall, chairman of Philadelphia Newspapers Inc., publisher of The Philadelphia Inquirer and The Philadelphia Daily News. Both increased home-delivery rates in 1990, and the afternoon Daily News increased its 35-cent newsstand price to 50 cents in March.

Still, says Kenneth Berents, vice president and senior analyst of Alex. Brown & Sons in Baltimore, the newspaper industry is beginning to recognize that it's "not just selling reach, it's also selling demographics. And most subscribers aren't going to cut out the paper if it goes up" in price.

Now may be a good time for newspapers to get readers used to price hikes because of high interest in current events, especially the aftermath of the Persian Gulf War and the tumultuous developments in Eastern Europe and the Soviet Union, says James P. Dolan, managing director of The Jordan Group Inc., a newspaper consulting firm.

Yet Harold F. Woldt Jr., vice president/circulation of Newsday, counters that newspapers may not be able to continue hitting the consumer in the wallet. Woldt suspects that single-copy price hikes may cool in about two years, after the 50-cent daily newspaper becomes common. □

Three Trends Pose Peril For Publishers

Slow growth, aging and diversity of markets will persist

BY NANCY M. DAVIS
presstime staff writer

Cynical Diogenes became an unpopular fellow in ancient Greece when he insisted on carrying a lamp around to illuminate his eternal search for an honest man. American Demographics magazine Publisher Peter Francese sympathizes with the doomsayer, because he often assumes a similar role among the nation's publishers.

Francese says too many newspaper publishers and editors believe that their audiences have interests much like their own. To the contrary, he says, newspapers will prosper in coming years only if editors and reporters get away from the natural tendency to write from personal points of view. They must study the demographics of their communities and produce stories that appeal to broad constituencies, he says.

"No one group of editors can relate directly to the vast complexity of a given community, so it's necessary to gather data and shift toward more information-based reporting and more analysis of what consumers are interested in," Francese tells media executives who seek his counsel.

This fundamental change is needed because of population shifts that are slowly but surely undermining the structure and purpose of the nation's mass-circulation media, newspapers and magazines alike.

Like Diogenes, however, Francese says forewarned, responsible leaders can heed his plea—and change their fate—by taking swift action in response to three emerging trends: slowing population growth, aging of the baby-boom generation and increasing diversity of consumer markets.

TERMITE INFESTATION. The most insidious trend is a slowdown in the growth of the population and households. This slowdown affects circulation, Francese says, like "termites that gradually erode the base" of a house. The facts are that the number of U.S. households increased 27 percent during the 1970s, 16 percent during the 1980s and are projected to increase 11 percent during this decade. (See table below.)

In many states "that growth will approach zero," he forecasts. Furthermore, 13 states—one of every four—are projected to lose population during the decade of the 1990s. They are Illinois, Indiana, Iowa, Kentucky, Michigan, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, West Virginia, Wisconsin and Wyoming.

But the trend is not limited to those states. Elizabeth Hansen, research coordinator at the Bangor (Maine) Daily News, is among the newspaper executives who have found that preliminary 1990 census counts show some loss of population in parts of their markets. As a result, the Daily News recently launched a study to learn more about the situation.

At The Boston Globe, Ronald Kuzoian, director of marketing research and planning, reports that his market is likely to grow only in the range of 0.50 percent to 0.75 percent a year during the 1990s. At that rate, new circulation is "harder to come by," he notes. So, the Globe's executives are using Claritas Corp.'s Prizm software to identify market segments that are good candidates for new sales pitches.

Even in New Hampshire, one of the fastest-growing states over the last decade, future circulation growth is not a certainty for newspapers. James Rousmaniere, editor and president of The Keene Sentinel, has seen market penetration drop from 77 percent to 72 percent since 1987. To compensate, the Sentinel is expanding its geographic reach and making extra efforts to serve groups such as older people.

"Population growth used to cover a lot of marketing mistakes," says Francese, who also serves as president of American Demographics and who will be among the speakers at ANPA's May 6-8 Convention in Vancouver, British Columbia. In the future, newspaper executives won't be able to get circulation increases merely by waiting for their communities to grow, he warns. "Circulation growth can only occur by satisfying a greater percentage of the community with your product and deeper penetration within your market.

"Unfortunately, community newspapers appear to be doing just the opposite," he laments, adding that the percentage of subscribing households has slipped to about two-thirds. "Slowing growth absolutely mandates that editors focus on people who are there and substitute growth in knowledge about these customers for growth in the customer base," Francese says.

"Contrary to popular belief, a newspaper is an optional buy," he continues. "It is not like food, where you have to go to the supermarket every week. We are in a situation where people get the information they wish to get from other places. It's imperative that community newspapers find a way to become essential again."

The publisher of the Dow Jones & Co.-owned magazine says newspaper publishers and editors must realize that circulation growth can occur only by targeting faster-growing segments with specific messages.

U.S. Population and Household Growth, 1970-2000

Decade	Population Growth		Household Growth	
	#	% Change	#	% Change
1970s (actual)	23 million	+11.4 %	17 million	+27.4%
1980s (actual)*	22 million	+9.8	13 million	+15.6
1990s (projected)*	18 million	+7.1	10 million	+10.8

**Based on total U.S. population of 249.6 million in 1990.*

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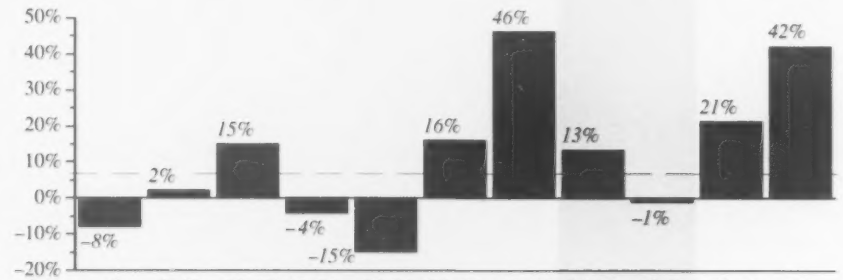
Graph 1: Age Change, 1990-2000

Baby boom in 1990: 26-44
Baby boom in 2000: 36-54



Age	<5	5–12	13–17	18–24	25–34	35–44	45–54	55–64	65–74	75–84	85+
1990 # (millions)	*18*	*29*	*17*	*26*	*44*	*38*	*25*	*21*	*18*	*10*	*3*

Age groups that spend the most on publications

Magazines						✻	✻				
Newspapers								✻	✻		

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AGING BABY BOOMERS. National census data paint a statistically sound picture of the segments and their potential for growth.

During the 1990s, the data indicate, there will be rapid growth among very old readers. A declining number of young adults will create a dearth of new, potential readers. Meanwhile, one of the largest and most important groups will continue to be the one called the baby-boom generation (people born between 1946 and 1964), despite the fact some of its members have just reached the beginning of what demographers classify as middle age (45).

Aging baby boomers are important to publishers because they are in, or are approaching, the two age brackets that traditionally spend the most money on publications: 35-to-54-year-olds spend the most on magazines; people ages 55 to 74 spend the most on newspapers; and the two age groups spend the most on reading material of all types, including books. (See Graph 1, above.)

Publishers could expect circulation increases of up to 16 percent over this decade if baby boomers were to buy and read newspapers at the same rate as their predecessors, merely because of population growth in these key age brackets. However, Francese has found that as baby boomers get older, they are *not* behaving as their predecessors, in at least two ways.

First, he says, they have lower newspaper readership rates than previous generations. For example, a 1980 study of the 35-to-44 age group found that 66 percent read a newspaper every day. In 1990, after the baby boom had filled the age bracket, only 60 percent read a newspaper daily.

Francese says that unless baby boomers are given "some inducements," it is unlikely they will ever have the same readership rates as those previously in that age group.

In his worst-case scenario, newspaper readership will not grow at all during the decade. More realistically, he suspects it will grow about 7 percent, the same growth rate as the U.S. population.

"The fact that the baby boom is aging will create a climate where more people are likely to want to read the newspaper," Francese explains. "The challenge is how to induce them to do so. To achieve even a modest circulation increase, newspapers must develop products that invite baby boomers' attention."

That means finding out what their interests are. "My first suggestion is to look at what they spend their money on"—food (both at home and away) apparel, travel, home furnishings and health-related goods. These are all prime topics for editorial treatment, he says.

FRAGMENTATION. Baby boomers as a group differ from their predecessors in another basic way: Fewer are settling down and supporting children, although many do own homes.

In fact, married couples with children now represent only 26 percent of all households in the United States. Married couples without children are more numerous, accounting for 30 percent of all U.S. households. (See Graph 2, p. 12.) Yet until recently, most of the nation's newspaper publishers "have been talking about a target audience of mom, pop and the kids," Francese observes.

"Newspapers must develop products that invite baby boomers' attention."

Peter Francese
American Demographics

Different types of families and households are among "the most important things newspaper executives should be looking at," he says. "Two-wage-earner families have less time to read newspapers. People without kids have more time to travel, read, shop, have pets and hobbies and have time to read about those things. It's incumbent on publishers to understand those interests."

The needs of the minority population must also be addressed as Black, Hispanic and Asian American groups are slated to grow faster than the rest of the popu-

Married couples with children now represent only 26 percent of all U.S. households. Married couples without children are more numerous, accounting for 30 percent of all households.

lation and therefore represent opportunities to increase newspaper circulation.

One of every four U.S. residents are now members of racial and ethnic minorities. In 20 years, the ratio will be one in three.

"What used to be called 'fringe groups' are now mainstream, important parts of the community" Francese says. "It is necessary to understand who they are and what they want from a newspaper." Language, food preferences, and reading and shopping habits need to be studied, particularly in regions such as New Mexico, where nearly two-thirds of the population will be comprised of minority group members in the year 2000.

In Southern California, "We have a fairly significant growth in population taking place among Hispanics and Asians, some of whom don't speak English," says N. Christian Anderson, editor and vice president of The Orange County Register. "We reach out in several ways. One is by having a diversity of staff members."

Francese cites The Patriot Ledger of Quincy, Mass., as an example of a newspaper that has responded to community change by hiring Asian American reporters with bilingual skills.

He wants editors and writers elsewhere to reallocate news space away from general-interest articles, thereby making room for coverage of such market segments that are not currently being served.

"Newspaper (reporters) are very good about writing stories about events, but more and more people's lives are affected not by singular events but by gradual changes in government policies, economic shifts or demographic trends. These need to be written about as thoroughly as crimes or fires," he says. Publishers should create spreadsheets of information about population groups in communities they serve, with columns for the issues of interest to each, he adds. The data can be derived from the census (see story, p. 45) as well as local surveys.

Newspaper editors and writers are most guilty of writing exclusively for those who have college degrees. It's no wonder, he says, "because most of them have college degrees, but most of the population doesn't."

About 60 percent of the nation's workers over age 25 finished their education in high school. Francese's research has shown that such market segmentation by education has become economic segmentation as well: High school graduates earn an average $21,000 a year, and college graduates receive an average $34,000 annually.

Less well-educated people have different values, beliefs and agendas "that need to be taken into account and thought about and addressed when writing about certain things. For example, we cannot make the statement that we are all better off than we were 10 years ago because that statement is not credible among a large segment of the population," he continues.

"The people who are college graduates have shared in the American dream because they have had an increasing income after inflation, so they are better off. The people without a high school degree are, in constant dollars, making less money today than they were 10 years ago."

Francese says less well-educated people often have "a substantial amount of hostility to establishment institutions," particularly newspapers. "Personally," he says, "I think some of this hostility is justifiable."

After all, the average community has one electric and gas utility and only one local newspaper, too. "People have a negative attitude toward their utilities because they don't have any choice. There's only one," and they may feel the same way toward newspapers, he says.

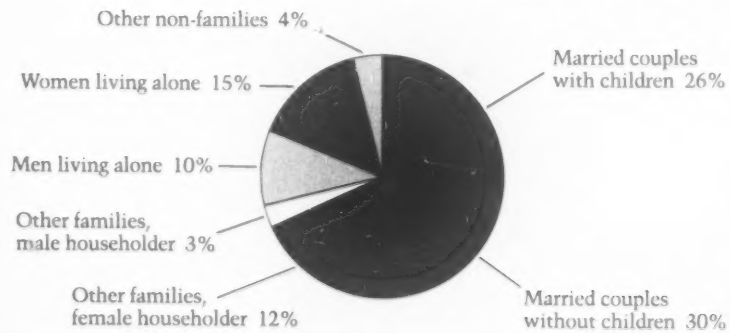
"Nobody is suggesting that what you're going to write about is offensive to existing readers, but when a market doesn't grow, look at those who don't buy the product and find out why. These people buy food, homes, cars, and they have incomes. Individual households may not make much money but aggregate it, and they do spend money. . . . They buy certain products a lot. It is simply unacceptable to dismiss this population."

Whereas most communities have only one paper, there may be four or five radio stations. "Radio stations can segment themselves according to format, but newspapers can't," Francese points out. Newspapers must therefore have sections that appeal to different groups. "Certain people will read only parts of the paper and buy that paper because of a special interest in sports, or the home section. Newspapers have been doing this for a long time," he notes, "but today it's even more imperative to understand what the different segments want.

"There will be a role for a community newspaper in the future, but it may be a more complex product—and quite a different paper in Connecticut than in New York, for example," Francese says.

"I'm a publisher, too," he says, "and we take these things to heart. We are transforming American Demographics so readers will be able to read quicker, get into the magazine quicker, and the same things apply to newspapers who value readers' time. Knowing the customers—and knowing who they are and what they want—is absolutely necessary if newspapers are to bring back some of the market share they've lost over the last decade." □

Graph 2: Household Types, 1990


Other non-families 4%
Married couples with children 26%
Women living alone 15%
Men living alone 10%
Other families, male householder 3%
Other families, female householder 12%
Married couples without children 30%

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P.M. Newspapers:

They still outnumber morning editions by nearly 2-1, and many

BY WALT POTTER
presstime staff writer

Afternoon daily newspapers, considered by many people to be a dying breed, may have more life left than is generally supposed.

An informal sampling of evening papers across the United States found that most of their editors and publishers want to stay on the current publication cycle.

The smaller dailies, under 40,000 circulation, cite competitive advantages, reader preference, tradition and even distribution logistics among many reasons for remaining p.m. papers.

Executives at evening dailies in large cities, the kind of markets where death in the afternoon has been widespread, insist there are tens of thousands of readers in their circulation areas who want to receive a freshly printed newspaper late in the day.

Nationwide, of course, afternoon newspapers are continuing to disappear (see graph at right), usually through conversion to morning publication or through elimination of an afternoon edition from a morning-afternoon combination. (See story, p. 62.)

Yet U.S. afternoon newspapers still outnumber morning dailies by nearly 2-1, and there are many communities where particular market conditions lend themselves to p.m. publication, the **presstime** sampling indicates. Indeed, the demands of the local marketplace determine whether the p.m. cycle is right for a given paper.

"You've got to make those decisions for yourself," says Derek L. Wood, publisher/general manager of the Portsmouth (N.H.) Herald, an afternoon daily that last year recorded the largest percentage circulation gain in the country, according to a survey by the International Circulation Managers Association.

PERSISTING IN SMALL CITIES. A look at nine small dailies from across the country, four independent and five group-owned, shows a common concern with keeping the papers out of the line of fire when the morning competition hits the streets.

Wood's Herald, a Thomson Corp. newspaper, remains an afternoon publication in large part because it's only about 60 miles from where the Boston Herald and The Boston Globe are published each morning.

"We looked at morning," he says, "but it's unusual for anybody to go up against the Globe," which is distributed in much of New England.

So, instead of changing the publication schedule to combat what until recently was sagging circulation, Wood has bolstered news content and tried to make the dependability of his newspaper's delivery rival that of pizza chains.

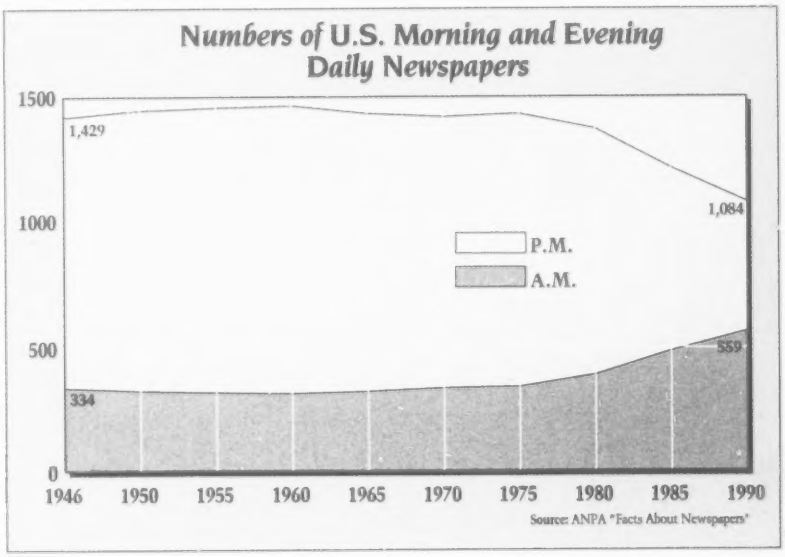
"If our paper isn't there by 5 p.m., we guarantee a circulation person will be knocking on the subscriber's door 25 minutes after they call us," he says.

The result was a 21.6-percent increase in daily circulation to 15,630 between September 1989 and September 1990, despite the closing of a naval base near Portsmouth.

In Nevada, the Elko Daily Free Press takes into consideration the fact that the Reno Gazette-Journal—published on the other side of the state—comes out in the morning, says Mae Steninger, who owns the 5,457-circulation daily along with her husband, Mel. The Reno paper has 100 single-copy outlets in the 20,000-population Elko area. "We never considered" going a.m., she says of the Free Press, which reported a circulation gain of 5.3 percent in the 12 months leading up to Sept. 30, 1990.

The Daily Record of Wooster, Ohio, has also racked up impressive circulation numbers by publishing in the afternoon rather than competing with a larger city's morning paper.

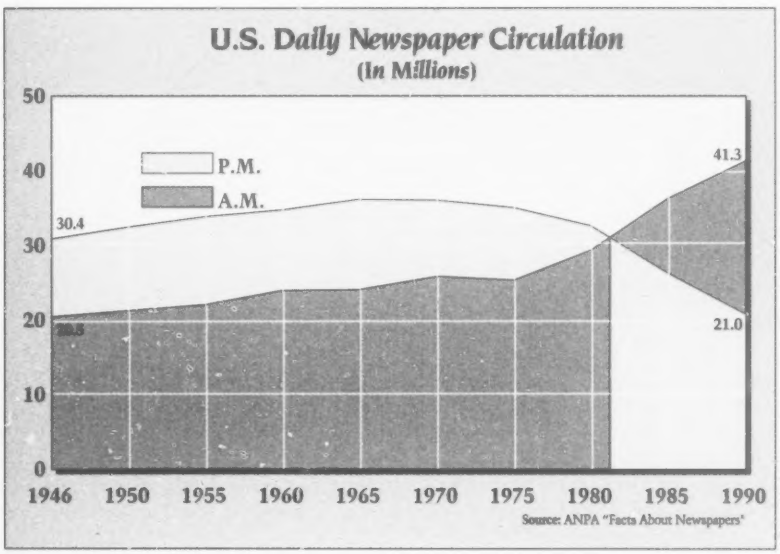
In fact, the 25,101-circulation afternoon newspaper has enjoyed the greatest weekday penetration rate of any daily in the country, regardless of cycle, for two years in a row,



> *"You've got to make those decisions (about when to publish) for yourself."*
>
> **Derek L. Wood**
> **Portsmouth (N.H.) Herald**

Afternoon Delights

readers clearly prefer them to papers delivered at dawn



according to surveys by ICMA.

Part of this achievement derives from remaining an afternoon newspaper, says Frank L. Beeson, general manager of the Dix Communications subsidiary. "We were thrilled when the Beacon Journal (published in nearby Akron) went morning," says Beeson. "It's nice to be your own island."

The Daily Record specializes in local news, and an afternoon cycle grants advantages, Beeson notes. The paper's reporters can attend local meetings long into the night, while those from Akron must leave early to file their stories, he explains.

The newspaper's dedication to comprehensive local coverage helps newsstand sales that account for a big part of its 105-percent penetration rate. That is, the company sells 105 copies for every 100 households in its circulation area. Beeson says the excess can be explained by single-copy sales, some of which are purchased by subscribers who want to read the paper on certain days during their lunch hour. Others who work in Wooster but live elsewhere pick up The Daily Record on their way home.

When competition from a morning metro paper isn't a factor, some publishers find themselves forced to remain on the afternoon cycle, even when they don't want to.

The Daily Review Atlas of Monmouth, Ill., in early 1988 converted to morning publication, thereby escaping some of the competition with four larger afternoon daily newspapers located within 20 miles. Only six months later, however, the American Publishing Co. subsidiary returned to afternoon publication.

"We thought we could gain subscribers, but we actually lost a little circulation," says Publisher Scott T. Champion. "We also had terrible problems getting carriers in the morning. Parents just didn't want their children delivering papers in the dark." The 3,950-circulation daily relies on youth carriers for 75 percent of its distribution.

> *"We were thrilled when the Beacon Journal went morning. . . . It's nice to be your own island."*
>
> **Frank L. Beeson**
> **The Daily Record, Wooster, Ohio**

Even when a newspaper dominates its market, as The Emporia Gazette does in a seven-county area of south central Kansas, the choice can still be p.m. "I guess we're afternoon because we haven't been forced to do otherwise," says Managing Editor E. Ray Call.

The Gazette has not been totally spared the effects of competition, though. The influence of television and statewide morning dailies has forced the Gazette to give up covering some of the national and international news that its famous earlier editors and owners, William Allen White and William S. White, favored, Call says.

Nevertheless, Gazette readers are thoroughly in the habit of reading an afternoon newspaper, and Call expects that the newspaper will stay p.m. at least for the foreseeable future.

Indeed, surveys and other pulse-taking by small p.m. dailies have found no clear indication that readers want a change to morning delivery.

"Our survey showed that there was not an overwhelming desire on the part of our readers for us to be a morning paper," says Bruce K. Smith, publisher of the Bozeman (Mont.) Daily Chronicle, part of the Pioneer Newspaper Group. "On the other hand, a majority say they would not cancel their subscription if we went morning."

These investigations by Smith and his fellow afternoon publishers also found that advertisers are ambivalent about a possible change to morning publication, although most of the newspaper executives seem to agree with Smith that ad customers might want a morning paper to get their message to consumers at the beginning of the day.

SERVING LARGER MARKETS. Satisfying readers and advertisers is on the minds of executives at some larger afternoon newspapers. Publishers of five large a.m.-p.m. combinations say a significant amount of their markets clearly want afternoon newspapers.

"A lot of people have decided the party's over for afternoon newspapers, but maybe we've stayed at a party that's still going on."

Jay Smith
The Atlanta Journal and The Atlanta Constitution

The Atlanta Journal, a p.m. whose circulation has been expanding for several years after a long period of decline, is "an important piece . . . of the base we sell to advertisers," says Jay Smith, publisher of the Journal and its morning companion, The Atlanta Constitution.

"From time to time, we take a look at going a.m. (entirely)," he says, noting that the Constitution is growing even faster than the Journal. "But every time we do, we see 190,000 readers that want an afternoon newspaper, and you don't want to take a newspaper away from a reader when he wants" to read that newspaper.

The Atlanta publisher suggests two reasons why the Journal's circulation is increasing when that of many other large metro p.m. dailies is not.

First, as metropolitan Atlanta grows, commuters are living further from downtown. Many "are on their way to work at 6:30 a.m. and then get home at 4 p.m.," Smith says. "There are real advantages to afternoon newspapers in that context."

Second, a great deal of important news falls on p.m. publishing cycles. Of late, "the news has been out of Eastern Europe, Russia, the Middle East, and they're seven, eight hours ahead of us," he notes.

Afternoon advantages such as these ultimately failed to sway executives of the Philadelphia Daily News, despite efforts in recent years to strengthen the evening paper. On March 5, deadlines for the Daily News' first edition became 90 minutes earlier so the tabloid paper could provide a morning alternative to The Philadelphia Inquirer. Both papers are owned by Knight-Ridder Inc.

The move came as a surprise, because the Daily News had reported making its first profit in 64 years in 1989. The paper has been published by previous owner Walter Annenberg and now by Knight-Ridder Inc. as a money-losing foil to potential afternoon competition, newspaper analysts say.

The Daily News' $1.6-million 1989 profit apparently was not repeated last year when the Daily News "probably about broke even," says Charles B. Fancher, vice president for communications and public affairs at Philadelphia Newspapers Inc.

"We know that in the long term, the future of the Daily News is a lot stronger if it can provide morning delivery (to single-copy sales outlets) in addition to afternoon publication," says Fancher.

Some other a.m.-p.m. combinations do not anticipate any such blurring between the two cycles.

The Evening Star-Telegram of Fort Worth recently enlivened its editorial content by making the news presentation bolder and sassier than that of the paper's more widely circulated morning cousin.

Headlines like "Poodle Slain By Archer" sell a lot of newspapers, notes Weldon Whiteman, circulation director for both Fort Worth dailies. The main intent of the afternoon paper's "flashier, faster read" is to attract a lot of newsstand buyers, he says.

Although the fate of the Evening Star-Telegram's is still in question, Whiteman observes, "We have 80,000 loyal subscribers, and we won't change our mind without thinking of the consequences."

Even firmer about preserving their afternoon newspaper are executives of the a.m.-p.m. pair, The Indianapolis Star and The Indianapolis News. The papers are the flagship publications of Central Newspapers Inc., which also publishes morning and evening dailies in Phoenix.

"Something like 80,000 to 90,000 people (in the Indianapolis area) obviously prefer an afternoon newspaper," says Publisher Eugene S. Pulliam. "We hope we keep them . . . absolutely."

There's been a lot of attention given the p.m. News, especially in circulation service. The result was, "We finally stopped our (circulation) slide (at the News). We're up a little bit against last year," says Pulliam.

Media General Inc. has also "made a conscious corporate decision to pour a lot of resources" into the afternoon paper of its headquarters city, says Alf Goodykoontz, executive editor of both The Richmond (Va.) News Leader and the morning Richmond Times-Dispatch.

In doing this, the papers' executives are going against some trends in the fast-growing central Virginia area.

"One of the problems is that a lot of people coming here from other markets are used to morning papers," says Goodykoontz.

Nonetheless, Media General sees other factors that support Richmond's afternoon newspaper.

One particular boost to the News Leader is its Green Section. The entertainment tabloid for decades has attracted extra readers and advertisers to the Saturday edition, one of the few remaining in a market where both the a.m. and p.m. papers are owned by the same company (**presstime**, Dec. 1987, p. 14).

"It's been around for a long time and been very successful," says Goodykoontz. "It's why Saturday sells a lot more than during the week."

Such individual market characteristics can be the determining factor in whether an afternoon daily thrives or withers away.

"A lot of people have decided the party's over for afternoon newspapers," observes Atlanta Publisher Smith, "but maybe we've stayed at a party that's still going." □

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